

Date Mailed October 30, 2001

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Investigation on the Commission's Own Motion Into Recovery of
Accounting Deferrals by Wisconsin Electric Utilities Related to the
Formation of the American Transmission Company and American
Transmission Company Related Operation Costs

05-EI-129

**NOTICE OF PROCEEDING
AND
INVESTIGATION AND ASSESSMENT OF COSTS**

THIS IS A PROCEEDING to investigate the joint application of Madison Gas and Electric Company (MG&E), Wisconsin Electric Power Company (WEPCO), Wisconsin Power and Light Company (WP&L), and Wisconsin Public Service Corporation (WPSC) for recovery of deferred costs associated with the formation, startup, and operation of American Transmission Company, LLC (ATC), pursuant to Wis. Stat. § 196.485.

Earlier this year, the Commission approved the deferral of ATC's incremental, start-up, and operating costs by these utilities. Each applicant now proposes to recover these costs, either through the establishment of an escrow and an annual rate surcharge, or through pending rate cases.

MG&E is seeking to recover \$4.8 million. For an average residential customer, this would amount to a 1.77 percent increase in the monthly electric bill. WEPCO is seeking to recover \$58.8 million on an annual basis from its Wisconsin retail customers. For an average residential customer, this would be a 2.8 percent increase in the electric bill. WP&L is seeking to recover \$16.3 million on an annual basis. For an average residential customer, this would be a 2.2 percent increase in the electric bill. WPSC is seeking to recover \$23.4 million. For an average residential customer, this would be a 3.5 percent increase in the electric bill. The Commission's approval of these rate increases is being sought pursuant to Wis. Stat. §§ 196.20(2m) and 196.37(1).

NOTICE IS GIVEN that the Commission considers it necessary, in order to carry out its duties, to investigate all books, accounts, practices, and activities of the applicant. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such an investigation will be assessed against and collected from the applicant in accordance with the provisions of Wis. Stat. § 196.85 and Wis. Admin. Code ch. PSC 5.

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Parties may begin discovery immediately. Additional procedures regarding the discovery process may be discussed at a prehearing conference. To obtain a current list of parties, call Nancy Anthony at (608) 266-1261.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the docket coordinator listed below.

This is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a).

Questions regarding this matter may be directed to docket coordinator Thomas J. Ferris at (608) 266-1124.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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